

# **CASE STUDY REPORTS**

Danish case report: The Danish Food Communities Authors: Chris Kjeldsen, Egon Noe and Klaus Brønd Laursen

## 1 Introduction



Københavns Fødevarefællesskab (The Food Community of Copenhagen) - <a href="http://kbhff.dk/english/">http://kbhff.dk/english/</a>



Aarhus Fødevarefællesskab (The Food Community of Aarhus) - http://www.aoff.dk/

The Food Communities was chosen as a case for HealthyGrowth because they constitute a major novelty within the Danish foodscape. As indicated in section 3, the Food

Communities have emerged as the latest incarnation of a series of attempts to forge alternative food networks operating beyond the supermarket system. Denmark is distinguished by a large market share of organic food being sold via supermarkets, but The Food Communities are a novelty due to two factors, (1) they have experienced a rapid growth since the outset in 2010, and (2) they are organised in a decentralised manner, where they continue to split up the network in chapters, each operating within their distinct local area. The Food Communities are a predominantly urban phenomenon.

# 2 Case-study approach: materials and methods

Table 1. The documents used as information sources.

	Data type	Document number	Short description of content
Home page	Webpage		The webpages of the
			Food Communities of the
			Aarhus and Copenhagen
			chapters were used
Student essays/research reports	-		
Newspaper articles			Some press clips were
			used in the initial phase
Commercials	-		
Magazines	-		
Leaflets	-		
Legal documents (e.g. founding)	Written		Templates regarding
	documentatio		organizational matters,
	n		supplied by the
			Copenhagen chapter,
			were used
Contracts with	-		Only oral agreements
suppliers/customers/members			are used
Internal strategy papers	-		Internal strategy are
			only documented in
			minutes of general
			assemblies, available via
			the websites
Minutes of internal	Audio		Decisions at meetings
communication/meetings	recording		were elaborated on
			during interviews
Internal newsletters	-		
Quality assurance documents	-		
List of suppliers/customers/members	-		Only oral agreements, no
			formal supplier lists
		1	available
Financial accounting	-	1	
Other (specify) annual reports, official	Social media		The Copenhagen chapter
registers, social media, training programs	(Wordpress,		supplies the other FCs
	Wiki,		with material from a
	Facebook)		Wiki; Facebook forms
			the main interface with
			members; Wordpress is
			used as blogging tool for
			other mediation

Table 2. Interviews and interviewees.

Interviews		Date Duratio	Duration, hours		ours	Remarks
Participants	Role		I-1	I-2	I-3	

FF01	Chair, FC Aarhus	X	See reference list (FF01 2012)
			0 ( H (FFF00 0040)
FF02	Activist, FC	X	See reference list (FF02 2012)
	Aarhus		
FF03	ViceChair, FC	X	See reference list (FF03 2012)
	Aarhus		
FF04	Producer, FC	X	See reference list (FF04 2012)
	Aarhus		
FF05	Activist, FC	X	See reference list (FF05 2012)
	Copenhagen		
FF06	Producer, FC	X	See reference list (FF06 2012)
	Copenhagen		
FF07	Producer, FC	X	See reference list (FF07 2012)
	Copenhagen		
FF08	Activist, FC	X	See reference list (FF08 2012)
	Copenhagen		
FF09	Activist, FC	X	See reference list (FF09 2012)
	Copenhagen		-

## 3. Overview of the case - general and common to all tasks

Denmark is distinguished by a highly modernized food and agricultural sector. Historical studies of the development of the Danish food system has emphasized that already from the late 1880's, a significant focus on 'efficient' and export-oriented farming emerged within Danish agriculture (Ingemann 1999,2002). As Denmark had few other natural resources but agricultural land, the Danish state played a very active role in the modernization process. State funding of both research institutions and agricultural extension service created close links between state, science and food systems development. The result has been a food sector distinguished by highly efficient farms, farmer-controlled cooperative processing firms and farmer-owned extension services. In terms of product quality, the development of industrial quality standards such as Danish Bacon and Lurpak Butter has been a historical stronghold of Danish agriculture. These development trajectories have had a significant impact on on the relation between 'alternative' and 'mainstream' in the Danish food sector. As several studies of the development of the Danish organic food sector has demonstrated, organic farming was included in the 'mainstream' food sector at a relatively early stage of its development (Kjeldsen & Ingemann 2009,2010; Michelsen 2001). Specifically, the Danish government created an organic labelling scheme in 1987, at a point were organic market shares were marginal. One of the indicators of the level of professionalization within the organic sector is that the average farm size within the Danish organic dairy sector is bigger than within their conventional collegaues (Dalgaard et al. 2008). With the organic sector being included in the 'mainstream' food sector, there is a relatively minor 'alternative' food sector in Denmark. There is not much systematic data available on consumption of food outside Danish retail chains, but most estimates state that approximately 10-12 percent of the food market in Denmark takes place outside the established retail sector (DST 2007; Kjeldsen 2005; ØL 2009). Food networks operating outside the 'mainstream' include many different types of networks. Examples include regional box schemes, national level box schemes, specialty shops as well as ecological communities, consumer groups and others. These examples exhibit a diverse array of 'taskscapes' (Ingold 2000), different fields which are distinguished by different actors, practices, rationalities and ideologies. Even though these alternative food networks only constitute a minor part of the food market, they might be very important as examples of social innovation within the Danish foodscape, since they have helped forging new qualities and relations between production and consumption.

The scale of Danish food networks operating outside the established retail sector is relatively minor. Still, some of the most significant developments, in terms of social innovation, have taken place outside the mainstream. During the 1990s, fueled by the emerging interest for organic food among Danish consumers, several attempts had been made to create alternative sector organisations like independent dairies and slaughteries. Many of these projects failed, and by the late 1990s most of the 'alternative' food market took place within established retail chains or via localized systems of provision, such as box schemes or direct selling. From the year 2000 and onwards, several new innovative approaches could be observed on the Danish 'foodscape' (Kieldsen & Ingemann 2009). One of the important projects was the web-based box scheme Aarstiderne.com (aarstiderne.com 2003). The enterprise started out as a local box scheme, supplying 100 local families with fresh vegetables. This business setup proved relatively unsuccessful in economic terms, but also in terms of a heavy workload on behalf of the producers. The owners of the enterprise then decided to transform their business into a national-level box scheme, capable of supplying virtually all Danish households, but with the market stronghold being the Danish capitol of Copenhagen (AA01\_direktør 2002). More than 10 years later, Aarstiderne.com delivers 35.000 boxes with fresh organic fruit and vegetables every week to consumers all over Denmark. The enterprise is one of the few examples of the successful transformation from local-level box box scheme into a highly professionalized e-business operating on national level. Other important initiatives taking place from the year 2000 and onward, was the creation of the first Danish CSA Landbrugslauget. Landbrugslauget was a consumerowned cooperative farm, managed by skilled farmers, who also had shares in the cooperative. The CSA was, like many similar initiatives in North America, based on the direct involvement of urban consumers, both in terms of ownership but also in terms of doing field work. These projects paved new paths across the Danish foodscape. Aarstiderne was the first Danish food network to utilize web-based means of consumption on a national scale, and Landbrugslauget was the first farm in Danish history which was owned by a group of consumers (the cooperative had 500 members, including 3 farmer members). These developments forms the background context, from within which the food communities emerge.

#### 3.1 Presentation and trajectory

The main empirical cases in our inquiry is the Danish food communities in Copenhagen and Aarhus. The Food Communities of Copenhagen consists of 11 neighbourhood-specific communities, each of which functions as a separate association (KBHFF 2014). In addition, 7 new food communities are in development in the Copenhagen area. The Food Community of Aarhus is one association, and has not yet branched out into separate chapters (AAFF 2014). There are now 17 Food Communities across Denmark (DKFF 2014). The two food communities in have been studied using semi-structured qualitative interviews. Until now, 9 respondents have been interviewed. Each interview lasted for approximately 2 hours. The respondents were selected using snowball sampling. Furthermore, content analysis was applied in relation to public documents and websites (Krippendorff 2004).



Figure 1: Overview of Danish Food Communities (DKFF 2014)

The Danish food communities<sup>1</sup> are food networks, which emerged for the first time in late 2010 in the Danish capitol Copenhagen. From a modest start in Copenhagen, the movement has spread to at least 4 major cities of Denmark, including the second-largest city of Aarhus. The food communities in Copenhagen now counts more than 3.000 members, organized in local networks within 9 different neighborhoods of Copenhagen. The food community of Aarhus counts 300 members today (the network started one year later than the one in Copenhagen) and is not yet differentiated between neighborhoods within the city. The food community in Aarhus received significant assistance from the activists in Copenhagen, when starting up their own network. The basic organization of the food communities is that they (as a group) source fresh vegetables from regional farmers. The regional farmers (typically placed in the urban periphery) delivers their produce once a week to a distribution central in the city, operated by the consumer-activists. It is then the responsibility of the consumeractivists to pack the vegetables in boxes which are picked up on the distribution central by each individual member. In that manner, the food communities seek to meet one of their main objectives, to provide affordable, fresh and organically as well as locally grown vegetables. The Danish food communities are based on a set of common principles<sup>2</sup>. The principles state that:

- (1) Food should be grown and produced in organic quality
- (2) Food shall be as local as practically feasible
- (3) Food supply shall mirror seasonal variation
- (4) Trade should be fair and direct
- (5) Production and consumption shall be environmentally friendly
- (6) The food communities shall raise awareness about food and organics
- (7) The food communities should be economically sustainable and independent
- (8) The food chain should be transparent and trust-building
- (9) Food should be widely accessible and affordable

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<sup>&</sup>lt;sup>1</sup> See common website for the Danish Food Communities at <a href="http://døff.dk/">http://døff.dk/</a>

<sup>&</sup>lt;sup>2</sup> See <a href="http://kbhff.dk/om-kbhff/10-grundprincipper/">http://kbhff.dk/om-kbhff/10-grundprincipper/</a>

(10) The food communities should be powered by local, collaborative communities

The food communities have established distribution centres, shops, in Aarhus and Copenhagen, where the farmes deliver their produce each week. Each member of the food community takes turns in the shop packing the vegetables in boxes. The operation of the shops is coordinated by the individual neighborhood groups. So far, only Copenhagen is divided into such groups. Apart from the local groups, the food communities are differentiated functionally in the shape of working groups, which manage different aspects of the operation of the network. Examples of working groups include retail, communication, finance, events and many other categories. The activists in the working groups are recruited among the food community members.

#### 3.2 Basic facts

In this section, try to present as much basic facts as possible about your case. Depending on the material you have been able to retrieve about the case, present the facts in tables and figures. If possible, refer to the document from which you have the figures/data. Growth may refer to turnover, to volume and/or to versatility of the products, to number of actors, to delivery area etc. The description of the development in growth should include and present the available data on the case in form of tables and/or as graphical presentations. The various cases of the value-based supply chains are of very different sizes. Giving the figures for growth in percentages or normalising the values against a base line value, allows direct comparison among them. Chose the figures that in the best way describe the growth and development process of the case. Also see attached excel-file (time line template).

*Answer the following questions if applicable for your case:* 

- 3.2.1 How has producer prices changed (farm gate prices, in % if possible)?
- 3.2.2 How has consumer prices changed (in % if possible)?
- 3.2.3 How has turnover, number of farms involved, product range, marketing channels and outlets changed until present?

The Food Communities seek to apply a national fair trade principle in their business model, which in practice means that they aim to pay farmers a fixed price premium which is linked to a reference price list from a major Danish organic wholesaler, Solhjulet. In that way, the Food Communities make sure that the farmers are paid a rate which is appr. 25% above the market price for organic products. The price list from Solhjulet spans a wide range of organic products being sourced for the Danish food market. Price variations follow in principle the market price, but the premium is maintained. However, some changes does take place. As something new, the activists from the Food Communities in Copenhagen met with the producers in late 2012 to discuss whether the prices should be adjusted. Several models for price formation were discussed, including the possibility of long-term agreements which were supposed to extend collaboration beyond short time spans, but the meeting did not reach a clear conclusion, and so far the 'equilibrium model' is still in use.

#### 3.3 Stakeholder network

The main objective here is to describe the stakeholder network of the case using the constellation/stakeholder analysis as an illustrative tool (use attached stakeholder analysis template). The stakeholder analysis is a snapshot of the present situation. You can complete the picture in the accompanying text by describing how actors are linked to each other, and if there are different categories of actors (roles, functions). If you have initiated a national stakeholder network (WP6) you can describe that here as well. In this case, also

describe how the network came about, what actors participate(d) and what issues that you have discussed in the network.

## 4. Analytical perspectives 1-6

## 4. 1 Organisation and governance (Tasks 1a and 1b)

## Analytical question 4.1.1:

What are the main values put forehead by the different stakeholders of the organization (or network), the differences and controversies over these values and the possible adjustments over time?

The individual Food Communities (in Copenhagen the Food Communities consists of different associations, placed in different suburbs and parts of the inner city) are governed by their annual general assemblies, and have a large degree of autonomy in choosing which parts of the overall values they may wish to emphasize. This makes in difficult to determine specifically which values among the "ten commandments" of the Danish Food Communities are the most important (see section 3.1). However, accessibility and affordability was an often cited value. Given that organic food is a mainstream commodity in Denmark, being able to offer economically accessible, fresh, seasonal organic vegetables appeared to be a major priority to the Food Communities studied.

#### Analytical question 4.1.3:

What kind of agreements and arrangements (both formal and informal) were established in order to secure long term strategic cooperation along the value chain and to secure proximity and trust? How were they adjusted over time?

The Food Communities recruit producers relative to their past knowledge or personal connections. In some cases the choice of producers were narrowed down to being a question of finding farms of required diversity and scale, which could match the needs of the consumer activists. Some of the activists in Aarhus described this process as a matter of "finding someone suitable on the yellow pages", meaning that selection in their case was perceived as being more or less random.

## Analytical questions 4.1.4:

How is the overall influence of public policies on the initiative and its values seen? (e.g. changes in the EU organic regulation might have had some impact) What relationships and alliances did the organization establish (at the beginning, and along its trajectory) with the civil society, either locally (local CSOs) or at the wider (national/international) scale, e.g. organic organizations? And how did it influence the way values were discussed and maintained?

There is only an indirect influence, in so far that regulation and policies might influence organic standards. However, the Food Communities are not necessarily influenced by developments, as they have the possibility of making direct agreements with farmers.

The Food Communities are in themselves an NGO organisation, but with no extensive 'upscale' links. Some of the activists (especially in the case of the Aarhus chapter) have some connections within the organic movement, but there are no formal linkages with the established organic NGOs, such as the national association for organic agriculture. Their main links, as indicated by the interviews, is to similar (grass-root driven, community scale) initiatives. One example is the urban gardening project Himmelhaven in Aarhus, with whom the Aarhus chapter shares experiences and ideas. Another

example is from North-west Copenhagen, where the local FC chapter were allowed to use workshop space at Ungdomshuset at Dortheavej, which is a workshop area for the autonomous movement. That particular association would continue until the two happened to disagree on sourcing herbs from Danish prisons, which in practice meant that the FC chapter was banned from Ungdomshuset and had to find new space for packaging their weekly baskets.

4.2 Business and management logics: the process behind ensuring economic performance and efficiency in mid-scale food value chains (Task 2)

Descriptive questions (internal organisation of chain member(s) (management)): 4.2.1.1 What is the legal form of the business(es)/initiative (ltd, coop, assoc., trust?)

The Food Communities is a network of associations, each of them having very little physical infrastructure, as their distribution centres tend to be rented spaces. They are cooperatively organised, and in terms of legal structure, each of the associations forming the overall Danish Food Communities are organized as separate associations. Each of them has separate economy, even though some of them share workshop space. One example is that the Copenhagen chapters use common distribution centres, thus making it more feasible for the farmers to deliver their produce.

4.2.1.2 Does total sales revenue cover all (monetary) costs?

The Food Communities is in practical terms a non-profit enterprise. If costs rise, the weekly price paid by the consumer will be adjusted.

4.2.1.4 Is a written strategy of the business/initiative/chain available? (yes/no; explanation)

Only in the shape of the overall mission statement, see section 3.1

4.2.1.5 What is the core sentence/motto/philosophy? (please quote)

See 4.2.1.4

4.2.1.7 How important are transparency, communication, fairness, trust, responsibilities, contracts/formal agreements and participation for the internal organisation of businesses/initiatives (employees/members "versus" management board)?

As the Food Communities are based on volunteer work, there is no formal board, and all members are putting work into upholding the communities, and the board is only elected for 2 years, in shifting rotation. In that regard, there is a high level of accountability in terms of how the activists' work is being valued among the other members. Several of the activists expressed their concern about using social media such as Facebook in a dynamic and forthcoming way. Specifically, that involves doing frequent updates of the Facebook group, through which they communicate with the other activists.

4.2.1.8 How did the management of the farms, business(es) or initiative change during the growth process or in challenging periods (organisation of internal decision making processes, definition of core strategies, selection and application of business strategies/instruments)? Please, tell the story about the importance of business strategy and management adaptations that helped to overcome challenging periods.

The farmers are not formally a part of the network, but are recruited on an ad-hoc basis. Deliveries are agreed upon through oral agreements, and they don't work out written contracts and state formal quality criteria, apart from the basic requirement that the

food should be produced according to organic standards (certified or not, even though all of the produces interviewed were certified organic producers).

4.2.1.14 Is there a price premium paid to primary producers? Alternative question: Are product prices paid within the values-based chain higher than common or officially published market prices for the product in the country/region?

Yes, see section 3.2.3

4.2.1.15 How are margins handled? (split up equally?). Alternative question: If the products are sold as premium products realising consumer prices which are higher than average market prices: Do all chain members profit from the "over-average" product prices or will selected chain members profit mainly from the premium price? Is "Fairness" between chain members an issue for chain partners? If yes, what happened in periods of crises?

See section 3.2.3

4.2.1.16 Which actors are considered strategic partners from the perspective of the chain members?

The farmers/producers are seen as strategic partners. One example of how they seek to integrate farmers, is the meeting between members and producers in the Copenhagen FC (mentioned in section 3.2.3). At this meeting, the perspective of entering a long-term strategic partnership was discussed. However, they did not reach a conclusion to these discussions.

4.2.1.17 How dependent/independent is each business partners from the down/upstream business partner?(Dependency risk)

The farmers expressed during the interviews, that a core strategic concern on their behalf was to ensure a suitable diversity with regards to distribution, as they had no interest in being dependent on just one distribution network, such as the Food Communities (FF04 2012; FF07 2012).

4.2.1.19 Can you identify an overarching business logic that links business goals, strategies and instruments internally in the core businesses/initiatives and/or within the values-based chain? (yes/no; explanation)

Yes: the logic of supplying affordable, seasonal organic food (vegetables).

Annex 1 List of (potential) business objectives/goals (please fill in and tick/check relevant boxes; then, please rank them)	Ranking 1= high priority objective 2, 3, 4, 5= little importance
Profitability:	
Maintaining profitability means making sure that revenue stays ahead of the costs of	3
doing business; Focus on controlling costs in both production and operations while	
maintaining the profit margin on products sold.	
Employee retention:	5
Employee turnover costs always money in lost productivity and the costs associated	
with recruiting, which include employment advertising and paying placement	
agencies. Maintaining a productive and positive employee environment improves	
retention.	

Growth:		2
	planned based on historical data and future projections. Growth requires	
	l use of company resources such as finances and personnel. a solid financial base:	5
	npany with good cash flow needs financing contacts in the event that	3
capital is r	needed e.g. to expand the organisation. Maintaining the ability to finance	
	s means that the management team can prepare for long-term projects and	
	nort-term needs such as payroll and accounts payable. objectives:	1
	n the mentioned above objectives, businesses or initiatives might have	1
	objectives which are to achieve when the economic viability is ensured. For	
example:		
O I	Ensuring (family/peasant/small) farmers' existence	
	Contribution to income and employment in the region (strengthening the rural economy)	
	Protection of the natural environment (water, soil, ecosystems, landscape, limate)	
O A	Animal welfare	
O F	Realising the "organic idea"	
0.5	ocial care	
Other (pleas	se specify):	
		Ranking
	sible) business/management strategies (please tick/check relevant add further strategies if needed; then, please rank them)	Ranking 1= high priority objective 2, 3, 4, 5= little importance
List of (pos		1= high priority objective
List of (pos boxes and		1= high priority objective 2, 3, 4, 5= little
List of (pos boxes and	add further strategies if needed; then, please rank them)	1= high priority objective 2, 3, 4, 5= little
List of (pos boxes and	Supplying a particularly high product/service quality Good customer service: This helps to retain clients and generate lasting	1= high priority objective 2, 3, 4, 5= little
List of (pos boxes and	Supplying a particularly high product/service quality Good customer service: This helps to retain clients and generate lasting revenue	1= high priority objective 2, 3, 4, 5= little
List of (pos boxes and	Supplying a particularly high product/service quality Good customer service: This helps to retain clients and generate lasting revenue Maintaining good and trust-based long-term business relationships	1= high priority objective 2, 3, 4, 5= little
List of (pos boxes and	Supplying a particularly high product/service quality Good customer service: This helps to retain clients and generate lasting revenue Maintaining good and trust-based long-term business relationships Product differentiation Building on a better understanding of consumer trends	1= high priority objective 2, 3, 4, 5= little
Control Contro	Supplying a particularly high product/service quality Good customer service: This helps to retain clients and generate lasting revenue Maintaining good and trust-based long-term business relationships Product differentiation Building on a better understanding of consumer trends New/alternative marketing channels	1= high priority objective 2, 3, 4, 5= little
Control Contro	Supplying a particularly high product/service quality Good customer service: This helps to retain clients and generate lasting revenue Maintaining good and trust-based long-term business relationships Product differentiation Building on a better understanding of consumer trends New/alternative marketing channels Maintaining local/regional production base	1= high priority objective 2, 3, 4, 5= little importance
Control Contro	Supplying a particularly high product/service quality Good customer service: This helps to retain clients and generate lasting revenue Maintaining good and trust-based long-term business relationships Product differentiation Building on a better understanding of consumer trends New/alternative marketing channels Maintaining local/regional production base Reduction of transports	1= high priority objective 2, 3, 4, 5= little
Control Contro	Supplying a particularly high product/service quality Good customer service: This helps to retain clients and generate lasting revenue Maintaining good and trust-based long-term business relationships Product differentiation Building on a better understanding of consumer trends New/alternative marketing channels Maintaining local/regional production base Reduction of transports Ensuring transparency	1= high priority objective 2, 3, 4, 5= little importance
Control Contro	Supplying a particularly high product/service quality Good customer service: This helps to retain clients and generate lasting revenue Maintaining good and trust-based long-term business relationships Product differentiation Building on a better understanding of consumer trends New/alternative marketing channels Maintaining local/regional production base Reduction of transports Ensuring transparency Professionalization of management	1= high priority objective 2, 3, 4, 5= little importance
Control Contro	Supplying a particularly high product/service quality Good customer service: This helps to retain clients and generate lasting revenue Maintaining good and trust-based long-term business relationships Product differentiation Building on a better understanding of consumer trends New/alternative marketing channels Maintaining local/regional production base Reduction of transports Ensuring transparency Professionalization of management Maintaining of social standards	1= high priority objective 2, 3, 4, 5= little importance
Control (post boxes and a second a seco	Supplying a particularly high product/service quality Good customer service: This helps to retain clients and generate lasting revenue Maintaining good and trust-based long-term business relationships Product differentiation Building on a better understanding of consumer trends New/alternative marketing channels Maintaining local/regional production base Reduction of transports Ensuring transparency Professionalization of management Maintaining of social standards Collaboration along chain and with market partners, developing business partnerships	1= high priority objective 2, 3, 4, 5= little importance
Control Contro	Supplying a particularly high product/service quality Good customer service: This helps to retain clients and generate lasting revenue Maintaining good and trust-based long-term business relationships Product differentiation Building on a better understanding of consumer trends New/alternative marketing channels Maintaining local/regional production base Reduction of transports Ensuring transparency Professionalization of management Maintaining of social standards Collaboration along chain and with market partners, developing business partnerships Promotion of innovation	1= high priority objective 2, 3, 4, 5= little importance
Control Contro	Supplying a particularly high product/service quality Good customer service: This helps to retain clients and generate lasting revenue Maintaining good and trust-based long-term business relationships Product differentiation Building on a better understanding of consumer trends New/alternative marketing channels Maintaining local/regional production base Reduction of transports Ensuring transparency Professionalization of management Maintaining of social standards Collaboration along chain and with market partners, developing business partnerships Promotion of innovation Networking	1= high priority objective 2, 3, 4, 5= little importance
Control Contro	Supplying a particularly high product/service quality Good customer service: This helps to retain clients and generate lasting revenue Maintaining good and trust-based long-term business relationships Product differentiation Building on a better understanding of consumer trends New/alternative marketing channels Maintaining local/regional production base Reduction of transports Ensuring transparency Professionalization of management Maintaining of social standards Collaboration along chain and with market partners, developing business partnerships Promotion of innovation	1= high priority objective 2, 3, 4, 5= little importance

O Creating a dynamic organization that is prepared to meet the challenges O Other (please specify):	
Annex 3: List of (possible) management instruments	Ranking 1= high priority

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Annex	3: List of (possible) management instruments	Ranking 1= high priority objective 2, 3, 4, 5= little importance
0	Quality assurance systems	
0	Quality testing (own laboratory)	
0	Regular negotiation of 'fair' prices	
0	Top-up of consumer price transmitted to local producer	
0	Competition analysis to better understand where the products rank in the marketplace	
0	Preference for local chain partners	
0	Transparency systems such as marking of delivery units, animal passports etc.	
0	Forward contracting of supply volumes	
0	Payment within a few days	
0	Supply up to needs of chain partner (quality, quantity, in time)	
0	Control of social standards	
0	Joint marketing	
0	Chain partner meetings and cultural or regional events	
0	Knowledge transfer	
0	Qualification measures	
0	Sharing stalls at a fair, joined organisation/sponsoring of seminars/events	5
0	Animal welfare standards, definition, control, communication	
0	Open communication within the organisation	
0	Flat hierarchies	
0	Clear responsibilities on each level	
0	Definition of social standards plus controls	
0	Kindergarten, health care (family friendly)	
0	Informative attitude (own magazine/journal, newsletter et.)	
0	Profiting from own production (free breakfast in bakery, contingent of beer in breweries, reduced vegetable prices of shop assistants etc.)	
0	Annual team building events	
0	Regular sponsoring of events/projects in the community (local sports team, local nature conservation project, youth project etc.)	
0	Other (please specify):	
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-		

# 4.3 The balance/trade-off between quality differentiation and volume and economic performance (Task 3)

#### *Analytical questions 4.3.1:*

Which quality differentiating strategies is the organic mid-scale value-based food chain focusing on in relation to conventional and mainstream organic food chains, and how and where in the chain are these qualities developed and how are they maintained?

Which changes/strategic choices according to volume growth have challenged quality differentiation strategies and economic performance among chain actors that have required adaptations in order to achieve a balance?

Which strategies/activities did the value chain actors choose to solve/adapt to meet these challenges and thus manage to combine the concerns of volume, quality differentiation and economic performance in a new and sustainable way?

By offering regionally embedded, fresh, seasonal organic vegetables at an affordable price, the Food Communities create a distinction in relation to supermarkets, where even discount retailers will need to maintain a certain level of premium prices paid by the consumer. The second distinction is made by the consumers participating in an urban community of concerned consumers, who take direct control over their supply of vegetables. By investing 3 hours of voluntary work every month, the activists are (according to statements made during the interviews) provided with a sense of being able to make a difference with regard to seizing control of their supply.

Both the Aarhus and Copenhagen chapters expressed another objective, which membership of the Food Communities were supposed to yield: learning and disseminating knowledge on sustainable food. However, according the interviewees, this objective has been harder to meet, as most members were content by doing voluntary work. One example was the activist in Aarhus working with staging events within the Aarhus chapter (FF02 2012), who stated that there was very modest interest in participating in events. The members did not show any interest in going on farm visits, and very few wanted to take part in events involving guest speakers, workshops etc.

4.4 Communication of values and qualities among the members of the food chain (Task 4)

## Analytical questions 4.4.1:

How is the communication between supply chain actors structured?

The member of the Food Communities communicate quite frequently via social media such as Facebook. One of the Aarhus activists even described the community in Aarhus slightly ironic as a "Facebook community", indicating that the primary social integration after his opinion took place via social media. Both chairs from the Aarhus community put great emphasis on maintaining a continuous flow of information among the members via social media.

*In how far are the primary producers known to consumers?* 

The Food Communities have been concerned with presenting the farmers via their website and via Facebook, thus allowing the farmer to assume a distinct identity in relation to the members of the community. In Aarhus, they put a distinct emphasis on

the farmers' account of why they converted to organic. In dramaturgical terms, they were very concerned about staging a certain image of the farmer – in this case a person devoted to organic farming, following personal motivations and beliefs.

Which means are in place to allow consumers articulate his/her wishes/desires/concerns upwards the food chain to the producers?

Via the Facebook communications, the supply work group (both Aarhus and Copenhagen) present the farmers with the feedback acquired from the members. The farmers then try to accommodate the concerns. The cases which emerged from the interviews, was, among others, questions regarding the physical quality of vegetables. In Aarhus, some of the members wondered why the vegetables were of moderate size compared to earlier growing seasons, and had asked via Facebook and emails to the supply group. The farmers reply was a post on Facebook trying to explain why the cabbage was moderately sized, which had something to do with the particular growth conditions that year.

Which (unique/innovative) communication methods are used?

Social media – even though it hardly counts as something unique or innovative, given that social media has found widespread use during recent years. Communication with farmers take place via phone or emails, not via social media.

## *Descriptive questions:*

4.4.1.1 What is the communication between you (the stakeholder) and your (stakeholder's) partners within the supply chain about?

Some of the activists expressed their concern with facilitating social learning on food and sustainability issues in more general terms. However, that particular aspect had shown to be hard to address. One of the members expressed that there might be several different factors in play. One of the factors he mentioned, was the level of food literacy among the consumers. He perceived, that few members felt confident staging dialogue with farmers or even other activists regarding food quality and wider issues of sustainability.

4.4.1.2 Via or through which channels do you (the stakeholder) and your (stakeholder's) partners communicate with each other?

Social media (Facebook), phone, email

4.4.1.3 How often do you (the stakeholder) and your (the stakeholder's) partners communicate with each other?

Communication is quite frequent, several times per week.

4.4.1.7 If, in how far does growth and respectively also the type of growth (scale or scope) have an influence on the communication?

No.

4.4.1.8 Are there feedback loops installed for consumers to channel appreciation or critique?

Yes, the 'line of command' is that the supply group reports back to the farmer. The farmer then responds by phone to supply group, who in turn communicates the farmer feedback on Facebook. This typically takes place in the matter of a few days.

4.4.1.9 Are there any meetings, seminars, workshops, events, fairs etc. where actors can exchange, interact etc outside usual structures?

Yes, but the interest has been very limited on behalf of the members of the community. Given that the remaining 15 Danish Food Communities were not covered by this study, it is hard to claim general validity of that statement.

#### 4.5 Quality dimension of primary production and mediation through the chain (Task 5)

Analytical question 4.5.1:

What are the qualities (value dimensions, aesthetic etic, health etc.) related to the primary production?

As the farmers are not formally members of the network, and as none of the farmers are dependent on the Food Communities as their main sales outlet, there is not in strict terms much co-evolution taking place between production and consumption. However, the farmers do take up challenges posed by the consumers. Requests for new varieties have been met by the farmers, who subsequently tried to introduce new crops. In that regard, the relatively small part of the deliveries from the farmers which are being sourced by the Food Communities, can serve (and has) as a test laboratory for introducing new crops. During the interviews, the interviewers posed questions regarding quality development to all interviewees. Many of the members expressed that they did not feel qualified to provide detailed requests for new products, including seasonal crops. Ensuring just prices were a more tangible pursuit, for which they saw themselves better suited.

# 4.6 Resilience of the value chain and the initiative/business – long term perspective, change and social-ecological links (Task 6)

As mentioned above, The Food Communities seek to apply a national fair trade principle in their business model, which in practice means that they aim to pay farmers a fixed price premium which is linked to a reference price list from a major Danish organic wholesaler, Solhjulet. A meeting was held between activists from the Food Communities in Copenhagen and their Zealand producers in late 2012 to discuss whether the prices should be adjusted. Several new models for price formation were discussed, including the possibility of long-term agreements which were supposed to extend collaboration beyond short time spans, but the meeting did not reach a clear conclusion, and so far the 'Danish Fair Trade model' is still in use. This meeting indicates that awareness regarding establishing long-term, reciprocal relations (strategic partnerships) between members and producers do exist, even though no specific initiatives have been initiated. The success of staging social learning processes throughout the network has been somewhat limited. Still, given that members invest work hours at the local distribution centres, the Food Communities do continue to forge 'weak' links between urban consumers. In a resilience perspective, the Food Communities are organized in flexible manner, allowing the network to source vegetables from many different producers across or even beyond their 'home' region. The decentralized principle of organisation allows for a high degree of flexibility, as when networks reach a given size, they split up in smaller units, which might restore the mutual feeling of responsibility among the members.

## 5 Future orientation of the initiative/business and the value chain

The Food Community members interviewed did not have a history of being active in organic grass roots organizations such as the National Association of Organic Agriculture. Given that, they did not relate very much to the history of organic

agriculture, even though they put great emphasis on certified organics as the backbone of product quality. Regarding growth, the members did not perceive any limits to how much they could grow, due to the principle of constantly branching out in new chapters and divisions throughout the land. In that regard, they perceived that they would not face any significant obstacles with regards to scale, at least as long as they kept sourcing from medium-sized or small farms. One of the producers were a major operator within the field of organic vegetables, but were able to grow crops in smaller batches so they could match the scale required by the Food Communities. In Copenhagen, some issues of scale were encountered during the growth phase, something which was addressed by using common distribution centres for vegetables. The activists from the individual neighbourhood-based associations would then go to the distribution centres to pick up their produce and take it to the local workshop space to pack the produce in individual bags.

## 6 Verification of the results and concluding reflections

The Food Communities are a grass-roots driven, decentralized organization, which poses some challenges with regard to generalization of observations of producerconsumer linkages. The main challenge is that the multiple networks which comprise the organization, are not inscribed via a generic business logic – rather, the network evolves through multiple negotiations of meaning. This poses a methodological challenge, as valid, general claims should be supported by empirical inquiry into a broader, representative range of Food Communities than in the present study. Another distinct factor is that the farmers are not part of the core case, if the associations constitute the border to the surrounding world. We can thus not identify long-term engagements such as strategic partnerships, and study the co-evolution between consumption and production dynamics and how they might be able to co-evolve. Instead the farmers interviewed perceived their individual farm autonomy as being very important. None of them perceived any need to become further integtrated with the Food Communities, as they already had well-established market channels suitable for small-scale supplies. Still, the spatial structure of the Food Communities are very interesting in the context of Healthy Growth. The notion of decentralizing growth processes can be described as a sort of 'metastatic' growth, where the network will branch out into new chapters everytime a threshold scale has been reached. That has been the case for the Food Communities in Copenhagen. That raises some interesting issues regarding scalar politics, which, however, can not be addressed by the present report.

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